



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101-1345

<http://www.blm.gov/ut/st/en.html>



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JUN 20 2016

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:

3504, 3512 / (UT-9223)

UTU-0115850, UTU-0122693

UTU-0122694, UTU-0124568

UTU-0126939, UTU-76312

JUN 15 2016

CERTIFIED MAIL – Return Receipt Requested

91 7199 9991 7035 9043 4841

91 7199 9991 7035 9043 4834

DECISION

Assignor:

Ziegler Chemical & Mineral Corp.

600 Prospect Avenue

Piscataway, New Jersey 08854

Assignee:

American Gilsonite Company

29950 South Bonanza Highway

Bonanza, Utah 84008

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: Federal Gilsonite Leases
: UTU-0115850, UTU-0122693,
: UTU-0122694, UTU-0124568,
: UTU-0126939 and UTU-76312
:
:
: Gilsonite Statewide Bond
:
:

Assignments of Federal Gilsonite Leases Approved

Personal Gilsonite Statewide Bond Accepted

Backed by Negotiable Treasury Security

On June 24, 2015, American Gilsonite Company submitted assignments of Federal gilsonite leases UTU-0115850, UTU-0122693, UTU-0122694, UTU-0124568, UTU-0126939 and UTU-76312, with Ziegler Chemical & Mineral Corp., as assignor, and American Gilsonite Company, as assignee.

Satisfactory evidence of the qualifications and holdings of American Gilsonite Company has been filed, required pursuant to the regulations at 43 CFR 3512.13. Therefore, the assignments meet the requirements of the regulations and are hereby approved effective July 1, 2016. Approval of the assignments does not constitute approval of any of the terms therein which may be in violation of the lease terms.

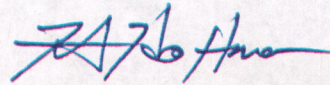
On May 10, 2016, American Gilsonite Company furnished to this office a satisfactory Statewide Personal Mineral bond and Power of Attorney in the amount of \$150,000.00 which increases their statewide bond coverage for Federal gilsonite leases in Utah. A U.S. Treasury Note in the amount of \$150,000.00 has been pledged with the Federal Reserve System to the account for the Bureau of Land Management for use in the case of default.

This document has been examined and found to be satisfactory. The personal statewide bond is hereby accepted as of the date of filing of the personal mineral bond and power of attorney form, May 10, 2016.

The U.S. Treasury Note has an interest rate of .875%, maturing on March 31, 2018. This bond will be retained for the Bureau of Land Management (BLM) until (1) this office is satisfied there is no further need for the bond, (2) satisfactory replacement bond coverage is furnished, or (3) the maturity date of the bond. If the Treasury Note is not rolled over and is still in the account at the maturity date, it will be converted to cash deposits in this office's suspense account, without any further interest accruing, until a final determination is made as to whether the bond is still needed.

The regulations at 43 CFR 3504.60 does allow for the amount of any bond to be increased when additional coverage is determined to be appropriate. A written request must be submitted when you want to have the period of liability of this bond terminated.

If you have any further questions, please contact Bill Buge of this office at (801) 539-4086.



Kent Hoffman
Deputy State Director
Division of Lands and Minerals

Enclosures:

1. Assignments

cc: BLM Vernal Field Office (UTG01)

Mr. John Baza, Director, Utah Division of Oil, Gas and Mining, P.O. Box 145801,
Salt Lake City, Utah 84114-5801